



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243

NED McWHERTER  
GOVERNOR

ELAINE A. McREYNOLDS  
COMMISSIONER

M E M O R A N D U M

TO: All Property and Casualty Insurers Doing  
Business in Tennessee

FR: Elaine A. McReynolds *EAM*  
Commissioner

RE: Cancellation and Nonrenewal Due to Blasting

DA: June 28, 1993

It has come to the attention of the Department that some insurers are cancelling and/or nonrenewing policyholders due to blasting in the area of the homeowner. The Department is receiving a significant number of complaints in this area.

As you are aware, Tennessee does not have a FAIR Plan or Joint Underwriting Authority (JUA) for homeowners or fire insurance. We have been able to accommodate the relatively small number of risks having difficulty obtaining such coverage, principally in the Class 9 and 10 areas, through a voluntary program of each insurer writing "its fair share" of the market and through referrals through the Insurance Division.

We are now asking insurers licensed in Tennessee to "take their fair share" of risks in blasting areas to avoid the necessity of establishing a JUA. If response to this informal plan is not positive and widespread, we will have to strongly consider the establishment of a JUA.

EAM/cmf